

**Agency: Commerce, Community and Economic Development****Grants to Municipalities (AS 37.05.315)****Grant Recipient: Valdez****Project Title:**

## Valdez - New Harbor and Uplands Development

**State Funding Requested: \$ 2,000,000****House District: 12 - F**

One-Time Need

**Brief Project Description:**

The City is actively engaged in the development of expanding the capacity at the small boat harbor in Valdez. The Valdez Small Boat Harbor is a basic public infrastructure that is a significant economic generator for the community.

**Funding Plan:****Total Cost of Project: \$36,000,000**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$20,000,000	2008				
Total	\$20,000,000					

**Detailed Project Description and Justification:**

The City is actively engaged in the development of expanding the capacity of the small boat harbor in Valdez. In 2007 the City obtained a federal authorization for \$20 million in the Water Resources Development Act (WRDA). Appropriations for this authorization are currently being sought; however recent changes in federal programs have increased the non-federal requirement for major projects of this nature to approximately 50:50. The City intends to commit a significant amount of its own resources to this project, and is seeking State participation.

The Valdez Small Boat Harbor is a significant economic engine for the community and is also used by residents from throughout the State. Boat owners from across the state use Valdez harbor as a staging area for accessing Prince William Sound and surrounding communities. The expansion project is a community priority for increasing economic capacity and ensuring upland support to the harbor operations.

**Project Timeline:**

2008 - 2010

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City of Valdez

**Grant Recipient Contact Information:**

Contact Name: John Hozey  
Phone Number: (907) 834-3406  
Address: PO Box 307  
Valdez, AK 99686  
Email: jhozey@ci.valdez.ak.us

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No



## **City of Valdez – Legislative Appropriations List**

### **OVERVIEW**

#### Projects

- |  |                 |
|--|-----------------|
| • Small Boat Harbor Expansion                          | \$2.5 million   |
| • Flood Mitigation Project (dikes/culverts)            | \$1.0 million   |
| • Flood Susceptible Sewer Systems                      | \$0.5 million   |
| • Cruise Ship Dock Renovation & Uplands Revitalization | \$1.675 million |

**PROJECT TITLE:** Valdez Small Boat Harbor Expansion

**CONTACT PERSON:**

John Hozey  
City Manager  
(907) 834-3406/3466  
(907) 835-2992 – Fax  
Email:  
[jhozey@ci.valdez.ak.us](mailto:jhozey@ci.valdez.ak.us)



**FUNDING:** Current Year Appropriation: \$2.5 Million  
Project Total: \$40 Million (\$20 Million in Federal Funds)

**DESCRIPTION:** Additional 320 slip harbor capacity with associated General Navigation Features and required upland infrastructure. The Valdez Harbor Project was recently authorized in the federal 2007 Water Resource Development Act for \$20 million. The Army Corps of Engineers is aggressively working this project with construction anticipated in 2010. Current Corps of Engineers draft feasibility study indicates a Benefit Cost Ratio of 2+.

**JUSTIFICATION:** Valdez is still using the original harbor built for the new town site following the great 1964 earthquake. It incorporates recreational, subsistence, commercial, and Coast Guard uses. Deficiencies include over congestion, poor water circulation, narrow channels, limited operations for large vessels, and inadequate launching capacity. Extreme overcrowding on limited fairways leads to hazards to navigation for all users. The current wait list for permanent moorage is at 249. Over the past 10 years that number has gone up an average of 6% each year.

The circulation issue results in inadequate salt water mixing within the basin and freeze-up of launch ramps and navigable areas within the harbor. This is particularly problematic for quick response missions for fire/rescue, SERVS, or Coast Guard small vessels during the winter months. During the summer months intense overcrowding negatively impacts those same critical response times. Limited moorage for Cutter sized vessels and inadequate launching capacity for smaller Coast Guard vessels adversely affect Homeland Security and environmental requirements associated with oil pipeline terminus operations. New harbor facilities have been through multiple public processes and are consistently determined to be the number one priority which is badly needed to mitigate all deficiencies.

**PROJECT TITLE:**

*Flood Mitigation Project*

**CONTACT PERSON:**

John Hozey  
City Manager  
(907) 834-3406/3466  
(907) 835-2992 – Fax  
Email: [jhozey@ci.valdez.ak.us](mailto:jhozey@ci.valdez.ak.us)

**PROJECT FUNDING:**

2008 Appropriation:	\$1.0 Million
Project Total:	\$3.5 Million

**DESCRIPTION:**

Many areas of the City are in low lying terrain susceptible to flooding or the threat of erosion. The City has constructed a series of levees and culverts to manage the flow of water and protect life and property. However, most of these protective systems are in need of repair, maintenance, and upgrade following the flood of October 2006. Additionally, new requirements for protective systems have also been identified. This project includes hydrological studies, engineering, and construction of needed upgrades and infrastructure.

**BENEFIT:**

Repairs existing storm damage and significantly mitigates the current threat to life and personal property due to natural flooding events and the effect of erosion from the Lowe River, the Glacier Stream, and Mineral Creek. Will also protect public roads and other critical public infrastructure at a significantly lesser cost than allowing flood or erosion damage to occur which would then require considerably more public funding to repair/rebuild.

**PROJECT TITLE:**

*Flood Susceptible Sewer Systems*

**CONTACT PERSON:**

John Hozey  
City Manager  
(907) 834-3406/3466  
(907) 835-2992 – Fax  
Email: [jhozey@ci.valdez.ak.us](mailto:jhozey@ci.valdez.ak.us)

**PROJECT FUNDING:**

2008 Appropriation:	\$500,000
Project Total:	\$2.5 Million

**DESCRIPTION:**

Many septic systems within the City of Valdez have been determined to be substandard. This is especially prevalent in the state established sub-division of Alpine Woods at mile 10 of the Richardson Highway. This problem was exacerbated during the recent flooding event of October 2006. Several drinking water wells in the area tested positive for contamination as a result of the high water levels infiltrating area septic systems. This project will establish a program to replace substandard or non-compliant septic systems with appropriate mound, partial mound, or package treatment systems as required. Numerous public meetings and workshops have been held to incorporate public testimony and commitment to fix this problem.

**BENEFIT:**

Completion of the project will address a significant public health threat by minimizing the existing documented groundwater and drinking water contamination within specific areas of the City. This project will also benefit local homeowners and allow for more land to become available for residential use. Upon completion, in the Alpine Woods area alone, it will result in approximately 389 residents being protected by more appropriate septic systems.

**PROJECT TITLE:**

*Cruise Ship Dock and Uplands Revitalization*

**CONTACT PERSON:**

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(907) 834-3406  
(907) 835-2992 – Fax  
Email: [jhozey@ci.valdez.ak.us](mailto:jhozey@ci.valdez.ak.us)

**PROJECT FUNDING:**

2008 Appropriation:	\$1.675 Million
Project Total:	\$7.5 Million

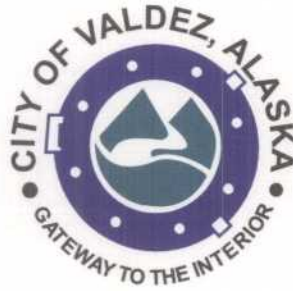
**DESCRIPTION:**

The existing City dock, built immediately following the relocation of the City after the 1964 earthquake, is not suitable for cruise ship moorage and is in need of major repair. This project will not only enable mid-sized cruise ships to dock close to town, but will addresses all required maintenance and enhance the versatility of the facility and surrounding uplands. The full scope includes dredging, new piles, fendering, utility upgrades, demolition of defunct fish processing plant, and upland passenger reception amenities. State funds toward this project can be leveraged against \$3 million in Federal funds already received through an EDA grant. This project has enjoyed strong support in the community for over a decade.

**BENEFIT:**

Mitigates current deferred maintenance liabilities for the old City dock; enhances very limited waterfront resources; and provides much greater economic diversity for the City. The new dock will allow cruise ships and other large vessels to dock in town verses having to go out to the City's container terminal several miles away. It could also accommodate military vessels in support of exercises, testing of equipment, and/or homeland security functions associated with the Trans Alaska Oil Pipeline terminal. The dock would also continue to serve commercial fisherman, as well as provide alternate cargo/freight transit options. This project is an essential part of the City's plan to diversity the Valdez economy and does so by providing cruise ships with a new, convenient and attractive place to expand service to the area.





OFFICE OF THE MAYOR

March 26, 2008

The Honorable Sara Palin  
Governor, State of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Subject: FY08 Supplemental Budget Appropriation

Dear Governor Palin:

The City of Valdez has been struggling for several decades now to address a critically needed expansion of our harbor facilities. Our harbor (the original one built after the 1964 earthquake) serves as a regional facility. More than half of all users are from Fairbanks and the interior. Another third is from Anchorage, the Valley and other Alaskan communities. The wait list for moorage currently stands at approximately 250 and has been increasing at an annual average rate of 6.3% every year for the past 10 years.

To date the city has invested over \$1 million and the U.S. Army Corps of Engineers has invested over \$1.5 million on a feasibility study for this project. In its current form this study indicates a higher Benefit/Cost ratio than most any other Alaskan harbor project. Therefore the ACOE and our federal delegation are actively working with us to secure the required federal funding to make this project possible. Last year Valdez successfully worked with our delegation to get the Valdez harbor authorized in the 2007 Water Resources Development Act (WRDA).

In order to continue this progress we are currently working closely with our federal delegation to take the WRDA authorization to an actual appropriation this year. However, the federal environment for this is extremely competitive and our success is dependent on many things. Probably the most critical of these issues involves being able to demonstrate to the feds that the non-federal portion of this project will be funded if federal appropriations are made. The City of Valdez is willing to make a significant contribution to this effort, but without state support as well, we just can't get there in time to stay in the queue with the Corps and make the current federal appropriation cycles. Because there are so many other competing projects, it is



imperative that we not lose the momentum we are currently enjoying with the feds or we could easily be eclipsed by another project; not to return.

Having this project vetoed twice by the Administration would certainly send a very negative message to the federal delegation about non-federal support for this project and would seriously jeopardize our ability to leverage a considerably larger amount of federal money. The City of Valdez therefore is desperately seeking your enthusiastic support for this project, especially at this critical time.

Please feel free to contact me or our City Manager John Hozey if we can answer any further questions or be of any other assistance in this matter. Thank you very much for your consideration.

Sincerely yours,

CITY OF VALDEZ, ALASKA

A handwritten signature in blue ink, appearing to read 'Bert Cottle', with a stylized flourish extending from the end.

BERT COTTLE, MAYOR

cc: The Honorable John Harris  
The Honorable Gene Therriault  
Members of the Valdez City Council  
City Manager John Hozey